

**COMUNIDAD
ANDINA**

SECRETARIA GENERAL



COOPERACION TECNICA

SG/ct 016
4 de marzo de 1975
E.4

**MEMORANDUM OF GRANT CONDITIONS BETWEEN THE
INTERNATIONAL DEVELOPMENT RESEARCH CENTRE
AND JUNTA DEL ACUERDO DE CARTAGENA. PROJET:
"FORESTRY TECHNOLOGY (ANDEAN PACT)"**

MEMORANDUM OF GRANT CONDITIONS

attached to letter of March 4, 1975

PROJECT TITLE: Forestry Technology (Andean Pact)

The International Development Research Centre (hereinafter called "the Centre") has approved a grant in an amount of up to \$988,420 (Canadian) for

the JUNTA DEL ACUERDO DE CARTAGENA

(hereinafter called "the Recipient")

to enable the Junta to study the technological properties of approximately 100 tropical wood species for their use in construction.

The grant is subject to funds being made available to the Centre by the Parliament of Canada.

Administration of Grant

Subject to any subsequent agreement reached between the Centre and the Recipient, the grant funds will be disbursed by the Centre for administration by the Recipient as follows:

- 1) an initial payment to the Recipient of \$316,000 upon receipt of a copy of this Memorandum duly signed by the Recipient, and
- 2) a payment to the Recipient of up to a total of \$532,010 in subsequent installments made approximately in accordance with the Schedule of Disbursements attached to this Memorandum.

An amount of up to \$140,410 will be administered for the Project by the Centre.

GRANT CONDITIONS

The Recipient agrees that the Centre support for the Project and the payment of any funds under this grant are subject to compliance with the Terms and Conditions set out in this Memorandum.

1. Components and Objectives of Project

The objective of this Project is to study the technological properties of approximately 100 tropical wood species for their use in construction, and specifically:

- a) to determine the physical and mechanical properties of selected forest species using criteria directly related to various forms of industrial use and to standardize test methods for evaluating wood properties;
- b) to develop standards for the visual grading of tropical sawnwoods according to defects and to establish structural values for specific grades of timber;
- c) to design and test wood building elements and to prepare design tables and charts for wide range of structures;
- d) to study and develop efficient systems of jointing and uniting members of tropical wood species for use in timber framing construction;
- e) to develop suitable drying and preservation methods and to determine their relative effectiveness for different conditions of use of tropical woods; and
- f) to determine the wood working and machining properties of tropical woods particularly with regard to their finishing characteristics.

The execution of the Project will be made according to the description given in the document of the Junta J/GT//8/Rev. 4, pertaining to the study of wood in construction or according to any revision which will be approved by the two parties.

2. Grant/Budget

The Recipient will expend the grant funds approximately in accordance with the Budget attached to this Memorandum, and the Detailed Equipment List attached, and will consult with the Centre and obtain its consent to any substantial change in budgetary allocations.

3. Periodic Financial and Progress Reports

The Recipient will send to the Centre an interim progress report and a financial statement on the Project as a condition for receiving each subsequent grant installment. The report and the statement must be satisfactory to the Centre. The financial statement will be in a format similar to the attached Budget and will be signed by the appropriate financial officer of the Recipient and will include

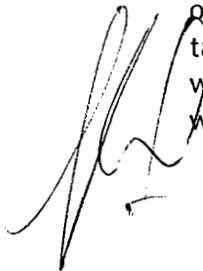
- a) a certification of the amount of Centre grant funds expended on the Project to the statement date,
- b) details of all liabilities accrued with respect to the Project to the statement date, and
- c) an estimate of expenditures for the following payment period.

4. Disclaimer

It is understood that the Recipient undertakes the Project on its own behalf and not on behalf of the Centre and that the Centre grant shall in no way be construed as constituting the Recipient or any other person or institution involved in the Project as the agent, representative or licensee of the Centre. The Centre assumes no liability with respect to any accident to any person or any loss or damage to any person or property arising from the Project except with respect to any accident, loss or damages arising from the negligent acts or omissions of the Centre's employees, officers or agents acting within the scope of their employment or authority.

5. Centre Representation

The Recipient will institute financial and administrative procedures acceptable to the Centre. In this respect, it will, where possible, give reasonable notice to the Centre of the meetings of the Contracting Committee responsible for the execution of the Project and will permit two representatives of the Centre to attend such meetings as observers. The coordinator of the Committee will keep the Centre informed of all significant decisions taken concerning the Project. At the request of the Centre, the Recipient will periodically review the procedures and the progress of the Project with the representatives of the Centre.



6. Importation and Duty

The Recipient is responsible for undertaking all formalities and other administrative arrangements necessary for the importation into any country by the Recipient of any material, equipment or goods purchased with Centre funds for the Project, and for taking all necessary steps to ensure that grant funds are not used for the direct payment of custom, import or other duties or taxes levied with respect to such importation.

7. Final Report and Certification

Within a reasonable time after the termination of the Project, the Recipient will provide the Centre with

- a) a narrative report detailing the work accomplished and embodying research findings, project results and any policy recommendations, and
- b) a complete financial statement covering all grant funds received and expended on the Project, in the same form and including the detail of the Budget attached to this Memorandum. The financial statement shall be certified correct by the Project leader and by a senior financial officer of the Recipient.

The Recipient agrees that, if the Centre so requests, the final financial statement shall be certified by the external auditors of the Recipient, and the costs of such audit shall be charged to the Project.

The Recipient agrees, if the Centre so requests, to give the Centre reasonable access to all books of account relating to the Project to permit the Centre to verify all pertinent financial records.

8. Visits to Project

The Recipient, at the request of the Centre, will permit officers or representatives of the Centre to visit the Project site(s) at times judged appropriate by the Centre to evaluate the results and progress of the Project and to discuss the research programmes with the scientists working on the Project.

9. Return of Funds

Within a reasonable time after the termination of the Project, the Recipient will return to the Centre any grant funds not used for the Project.

10. Publications

The Recipient will provide the Centre with copies of any reports or papers published as a result of the grant and will, prior to publication, consult with the Centre and, if requested, acknowledge the role of the Centre in support of the Project in any reports or papers published under the Recipient's authority.

11. Dissemination of Results

The Recipient agrees that the Centre may publish, release or otherwise distribute any suitable material published or written as a result of the Centre grant.

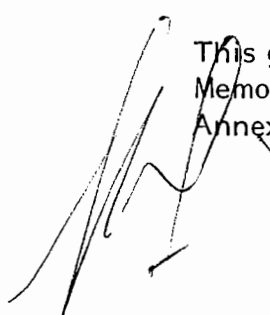
12. Contribution of the Andean Countries

The Recipient will make all reasonable efforts to ensure that the local contributions set out in the part of the Budget entitled Contribution of the Andean Countries attached to this Memorandum, are made approximately as indicated.

13. Expiration of Grant

The estimated time required for completion of the Project is thirty (30) months and to ensure adequate time for completion and the submission to the Centre of all required progress reports and financial statements, the grant will be made available for a period extending not more than thirty-nine (39) months from the date of this Memorandum, on the understanding that, if necessary reports and financial statements are provided by the Recipient to the Centre within the grant period, the Centre may, where circumstances require, make a payment of a grant installment after the period has elapsed, and the Recipient may apply such payment to the Project purposes.

14. Patents

 This grant is subject to the condition that the Recipient enter into the Memorandum of Agreement respecting patents attached hereto as Annexure I.

SIGNED by the Recipient at _____ in _____
on the _____ day of _____ 19__, in acceptance
of the above detailed grant and the conditions attaching thereto.

JUNTA DEL ACUERDO DE CARTAGENA

Per: _____



PROJECT TITLE: Forestry Technology (Andean Pact)

BUDGET

SCHEDULE OF DISBURSEMENTS

Initial Payment (upon acceptance) \$316,000

Subsequent Payments

Approx. 6 months after acceptance	\$175,000	
Approx. 12 months after acceptance	122,000	
Approx. 18 months after acceptance	100,000	
Approx. 24 months after acceptance	50,000	
Upon completion (up to)	<u>85,010</u>	<u>532,010</u>

TOTAL \$848,010



BUDGET (Cont'd)

RECIPIENT-ADMINISTERED FUNDS

Operational

	1975		1976		1977		TOTAL
	Jan.-Jun.	Jul.-Dec.	Jan.-Jun.	Jul.-Dec.	Jan.-Jun.	Jul.-Dec.	

<u>SALARIES & ALLOWANCES</u>							
Project Leader (2 MY)	\$ 6,400	\$ 9,600	\$ 16,000	\$ 9,600	\$ 19,200	\$ 3,200	\$ 38,400
Subproject Coordinators (10MY)	50,000	57,600	107,600	43,200	75,600	14,000	197,200
Research Assistants (16 MY)	35,000	45,100	80,100	27,500	45,500	6,800	132,400
Technicians (6 MY)	5,500	6,250	11,750	4,550	5,550	750	18,050
Support Staff (8 MY)	5,000	5,500	10,500	5,000	8,400	2,300	21,200
	\$101,900	\$124,050	\$225,950	\$ 89,850	\$ 64,400	\$154,250	\$ 27,050
							\$407,250

RESEARCH EXPENSES

Labour (20 MY)	\$ 8,800	\$ 8,800	\$ 17,600	\$ 8,800	\$ 3,000	\$ 11,800	\$ 360	\$ 29,760
Shipment of Wood Samples	49,610	-	49,610	-	-	-	-	49,610
Small Equipment & Spare Parts	5,000	5,000	10,000	5,000	5,000	10,000	5,000	25,000
Laboratory Supplies	3,500	3,500	7,000	3,500	3,500	7,000	3,500	17,500
Computer Services	-	-	-	-	-	-	5,000	5,000
Technical Documentation	500	500	1,000	500	500	1,000	400	2,400
Office Supplies	1,000	1,000	2,000	1,000	1,000	2,000	500	4,500
	\$ 68,410	\$ 18,800	\$ 87,210	\$ 18,800	\$ 13,000	\$ 31,800	\$ 14,760	\$133,770

<u>TRAVEL (Regional)</u>	\$ 29,000	\$ 17,000	\$ 46,000	\$ 11,600	\$ 3,900	\$ 15,500	\$ 1,600	\$ 63,100
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TRAINING

Short Course	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Practical Training (Region)	17,000	15,000	32,000	-	-	-	-	32,000
Practical Training (Abroad)	8,000	10,000	18,000	10,000	10,000	20,000	-	38,000
	\$ 25,000	\$ 35,000	\$ 60,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ -	\$ 80,000

BUDGET (Cont'd)

RECIPIENT-ADMINISTERED FUNDS (Cont'd)

Operational (Cont'd)

	1975		1976		1977	TOTAL
	Jan.-Jun.	Jul.-Dec.	Jan.-Jun.	Jul.-Dec.	Jan.-Jun.	

PUBLICATIONS & WORKSHOPS

Reports	\$ -	\$ -	\$ -	\$ -	\$ 6,700	\$ 11,700
Local Seminars (5)	-	-	-	-	5,000	5,000
TOTAL (OPERATIONS)	\$ 224,310	\$ 194,850	\$ 419,160	\$ 130,250	\$ 96,300	\$ 226,550
					\$ 55,110	\$ 700,820

Capital Equipment

(as detailed in Detailed Equipment List)

Field Equipment	\$ 7,640	\$ -	\$ -	\$ -	\$ -	\$ 7,640
Office Equipment	11,700	-	-	-	-	11,700
Laboratory Equipment	<u>107,850</u>	<u>20,000</u>	-	-	-	<u>127,850</u>
TOTAL (CAPITAL)	\$ 127,190	\$ 20,000	\$ -	\$ -	\$ -	\$ 147,190
TOTAL RECIPIENT-ADMINISTERED FUNDS	<u>\$546,350</u>	<u>\$246,550</u>	<u>\$ 55,110</u>			<u>\$848,010</u>

PROJECT TITLE: Forestry Technology (Andean Pact)

BUDGET (Cont'd)

CENTRE-ADMINISTERED FUNDS

	1975		1976		1977			
	Jan.-Jun.	Jul.-Dec.	Total	Jan.-Jun.	Jul.-Dec.	Total	Jan.-Jun.	TOTAL
<u>TRAVEL (International)</u>	\$ 9,000	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ 9,000

CONSULTANCIES

Technical Advice	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 20,000
Control and Evaluation	<u>5,000</u>	<u>10,000</u>	<u>15,000</u>	<u>10,000</u>	<u>5,000</u>	<u>15,000</u>	<u>5,000</u>	<u>35,000</u>
	\$ 5,000	\$ 20,000	\$ 25,000	\$ 20,000	\$ 5,000	\$ 25,000	\$ 5,000	\$ 55,000

CONTINGENCY

	\$ 23,830	\$ 21,485	\$ 45,315	\$ 15,025	\$ 10,130	\$ 25,155	\$ 5,940	\$ 76,410
TOTAL CENTRE-ADMINISTERED FUNDS	\$ 37,830	\$ 41,485	\$ 79,315	\$ 35,025	\$ 15,130	\$ 50,155	\$ 10,940	\$ 140,410

GRANT TOTAL			<u>\$625,665</u>			<u>\$296,705</u>	<u>\$ 66,050</u>	<u>\$988,420</u>
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PROJECT TITLE: Forestry Technology (Andean Pact)

BUDGET (Cont'd)

CONTRIBUTION OF THE ANDEAN COUNTRIES

	<u>Bolivia</u>	<u>Colombia</u>	<u>Ecuador</u>	<u>Peru</u>	<u>Venezuela</u>	<u>TOTAL</u>
RESEARCH EXPENSES						
<u>SALARIES AND ALLOWANCES</u>	\$ 19,500	\$141,200	\$102,200	\$127,100	\$138,600	\$528,600
<u>RESEARCH EXPENSES</u>						
<u>Materials and Supplies</u>	\$ -	\$ 1,100	\$ 1,100	\$ 6,200	\$ 1,700	\$ 10,100
<u>Operational Expenses</u>						
Rentals	2,500	4,200	5,400	6,200	-	18,300
Maintenance and Operation of Equipment	3,000	6,400	5,100	6,900	3,700	25,100
Laboratory Analysis	-	2,200	2,200	3,200	3,400	11,000
<u>LOCAL TRAVEL</u>	\$ 6,400	\$ 17,300	\$ 14,300	\$ 15,400	\$ 22,000	\$ 75,400
<u>CONTINGENCY</u>	\$ 3,140	\$ 17,240	\$ 13,030	\$ 16,500	\$ 16,940	\$ 66,850
<u>TOTAL</u>	<u>\$ 34,540</u>	<u>\$189,640</u>	<u>\$143,330</u>	<u>\$181,500</u>	<u>\$186,340</u>	<u>\$735,350</u>

NOTE: The figures expressed represent either an actual allocation of funds by the Recipient, or a monetary equivalent of staff or material input.

Detailed Equipment List

FIELD EQUIPMENT

1	Vehicle (4-wheel drive)	\$ 4,500
2	Chainsaws	2,000
4	Sets of cables and tackles	800
4	Hydraulic wedges	200
4	Trunk presses	140
		<hr/> \$ 7,640

LABORATORY EQUIPMENT

2	Recording instruments for conditioning room	\$ 6,000
1	Oven	1,000
2	ASTM testing accessories	2,000
6	Hygrometers and thermometers	1,200
1	Balance Mettler P200	1,400
1	Dynamometer (3,000 kgs.)	1,500
2	Moisture detector Gann-TK3	800
2	Relative humidity recorders	800
1	Drying balance	1,500
1	Electric recorder for testing press	1,000
1	Moisture Detector	500
2	Timber grading apparatus with frame, dynamometers and cables	4,000
1	Loading system for timber structures	11,500
1	Precision balance	2,100
1	Seismic simulator	18,400
1 set	Drawing equipment	1,000
4	Equipment and tools for research on timber joints	6,000
5	Small experimental dry kilns	12,250
2	Planing machines	8,000
1	Router	2,000
1	Mortising machine	3,000
2	Sanding machines	3,600
2	Drilling machines	2,000
1	Saw sharpener	3,500
4	Tachometers	800
2	Feeding tables for woodworking machines	1,000
2	Bench clamps	1,000
-	Equipment for timber preservation and drying including vacuum-pressure autoclave, hot and cold bath, weighing scale, electrical balance, incubator, macrophotography equipment, jars and glasses	15,000
-	Accessories and tools for wood research equipment in 5 laboratories	15,000
		<hr/> \$127,850

OFFICE EQUIPMENT

6	Calculating machines	\$ 6,000
2	Typewriters	1,000
-	Accessories (cabinets, etc.)	<u>4,700</u>
		\$ 11,700
TOTAL		<u>\$147,190</u>

